

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re: Horizon Ridge Medical & Corporate Center, LLC

Case No.

12-13906-LBR

**CHAPTER 11
MONTHLY OPERATING REPORT
(SMALL REAL ESTATE/INDIVIDUAL CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 10/31/13

PETITION DATE: 04/02/12

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).
Dollars reported in \$1

Dollars reported in \$1

	<u>End of Current Month</u>	<u>End of Prior Month</u>	<u>As of Petition Filing</u>
2. Asset and Liability Structure			
a. Current Assets	\$285,022	\$283,841	
b. Total Assets	\$4,260,022	\$4,258,841	\$4,447,807
c. Current Liabilities	\$0	\$0	
d. Total Liabilities	\$4,130,837	\$4,130,837	\$4,130,837
			Cumulative (Case to Date)
3. Statement of Cash Receipts & Disbursements for Month	<u>Current Month</u>	<u>Prior Month</u>	<u>(Case to Date)</u>
a. Total Receipts	\$31,505	\$33,265	\$739,577
b. Total Disbursements	\$11,737	\$9,232	\$331,838
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	\$19,769	\$24,033	\$407,740
d. Cash Balance Beginning of Month	\$374,361	\$350,328	\$2,707,922
e. Cash Balance End of Month (c + d)	\$394,130	\$374,361	\$3,115,662
			Cumulative (Case to Date)
4. Profit/(Loss) from the Statement of Operations	<u>Current Month</u>	<u>Prior Month</u>	<u>(Case to Date)</u>
5. Account Receivables (Pre and Post Petition)	N/A	N/A	N/A
6. Post-Petition Liabilities	\$0		
7. Past Due Post-Petition Account Payables (over 30 days)	\$0		

At the end of this reporting month:

At the end of this reporting month:		<u>Yes</u>	<u>No</u>
8.	Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee)	<u>Yes</u>	<u>X</u>
9.	Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee)	<u>Yes</u>	<u>X</u>
10.	If the answer is yes to 8 or 9, were all such payments approved by the court?	<u>Yes</u>	<u>X</u>
11.	Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee)	<u>Yes</u>	<u>X</u>
12.	Is the estate insured for replacement cost of assets and for general liability?	<u>Yes</u>	
13.	Are a plan and disclosure statement on file?	<u>Yes</u>	
14.	Was there any post-petition borrowing during this reporting period?	<u>Yes</u>	<u>X</u>
15.	Check if paid: Post-petition taxes <u> X </u> ; U.S. Trustee Quarterly Fees <u> X </u> ; Check if filing is current for: Post-petition tax reporting and tax returns: <u> X </u> . (Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)		

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 1/14/14

/s/ Rick Abelson
Responsible Individual

BALANCE SHEET
 (Small Real Estate/Individual Case)
 For the Month Ended 10/31/13

		Check if Exemption Claimed on Schedule C	Market Value
Assets			
Current Assets			
1 Cash and cash equivalents (including bank accts., CDs, etc.)			\$197,167
2 Accounts receivable (net)			
3 Retainer(s) paid to professionals			
4 Other: <u>Tenant Improvements</u>			\$87,855
5			
6 Total Current Assets			\$285,022
Long Term Assets (Market Value)			
7 Real Property (residential)			
8 Real property (rental or commercial)			\$3,975,000
9 Furniture, Fixtures, and Equipment			
10 Vehicles			
11 Partnership interests			
12 Interest in corporations			
13 Stocks and bonds			
14 Interests in IRA, Keogh, other retirement plans			
15 Other: <u></u>			
16			
17 Total Long Term Assets			\$3,975,000
18 Total Assets			\$4,260,022
Liabilities			
Post-Petition Liabilities			
Current Liabilities			
19 Post-petition not delinquent (under 30 days)			
20 Post-petition delinquent other than taxes (over 30 days)			
21 Post-petition delinquent taxes			
22 Accrued professional fees			
23 Other: <u></u>			
24			
25 Total Current Liabilities			\$0
26 Long-Term Post Petition Debt			
27 Total Post-Petition Liabilities			\$0
Pre-Petition Liabilities (allowed amount)			
28 Secured claims (residence)			
29 Secured claims (other)			\$4,122,364
30 Priority unsecured claims			
31 General unsecured claims			\$8,473
32 Total Pre-Petition Liabilities			\$4,130,837
33 Total Liabilities			\$4,130,837
Equity (Deficit)			
34 Total Equity (Deficit)			\$129,185
35 Total Liabilities and Equity (Deficit)			\$4,260,022

*Debtor disputes Bank of America's asserted claim and contends that Bank of America's claim does not exceed \$3.87 million as of the petition date.

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

SCHEDULES TO THE BALANCE SHEET

Schedule A
Rental Income InformationList the Rental Information Requested Below By Properties (For Rental Properties Only)

		<u>Property 1</u>	<u>Property 2</u>	<u>Property 3</u>
1	Description of Property	<u>2610 Horizon Ridge Pkwy</u>		
2	Scheduled Gross Rents	<u>\$31,269</u>		
	Less:			
3	Vacancy Factor	<u>\$3,958</u>		
4	Free Rent Incentives			
5	Other Adjustments			
6	Total Deductions	<u>\$3,958</u>	<u>\$0</u>	<u>\$0</u>
7	Scheduled Net Rents	<u>\$27,311</u>	<u>\$0</u>	<u>\$0</u>
8	Less: Rents Receivable (2)			
9	Scheduled Net Rents Collected (2)	<u>\$27,311</u>	<u>\$0</u>	<u>\$0</u>

(2) To be completed by cash basis reporters only.

Schedule B
Recapitulation of Funds Held at End of Month

		<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>
10	Bank	<u>Nevada State Bank</u>	<u>Wells Fargo</u>	<u>Wells Fargo</u>
11	Account No.	<u>x1491</u>	<u>xxxxxx2734</u>	<u>x4665</u>
12	Account Purpose	<u>Operating</u>	<u>(Combined)</u>	<u>(DIP)</u>
13	Balance, End of Month	<u>\$11,016</u>	<u>\$3,004</u>	<u>\$183,147</u>
14	Total Funds on Hand for all Accounts	<u><u>\$197,167</u></u>		

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 10/31/13

		Actual <u>Current Month</u>	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected	\$29,389	\$663,962
2	Cash Received from Sales		
3	Interest Received		
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7	Parking	\$175	\$3,534
8	Signage	\$210	\$4,725
9	Sewer/Water Pass thru	\$700	\$13,155
10	CAM Charges	\$1,031	\$20,620
11	Late Fees/Processing Fees	\$0	\$33,581
12	Total Cash Receipts	\$31,505	\$739,577
Cash Disbursements			
13	Selling		
14	Administrative		
15	Capital Expenditures		
16	Principal Payments on Debt		
17	Interest Paid		
18	Rent/Lease:		
19	Personal Property		
20	Real Property		
21	Amount Paid to Owner(s)/Officer(s)		
22	Salaries		
23	Draws		
24	Commissions/Royalties		
25	Expense Reimbursements		
26	Other		
27	Salaries/Commissions (less employee withholding)		
28	Management Fees		
29	Taxes:		
30	Employee Withholding		
31	Employer Payroll Taxes		
32	Real Property Taxes		
33	Other Taxes		
34	Other Cash Outflows:		
35	Administrative	\$611	\$2,982
36	Maintenance and Repairs	\$4,978	\$143,599
37	Utilities	\$4,463	\$14,773
38	Adjustments (Pre-paid rent, utilities, etc.)	(\$15)	\$163,684
39	Management	\$1,700	\$6,800
40	Total Cash Disbursements:	\$11,737	\$331,838
41	Net Increase (Decrease) in Cash	\$19,769	\$407,740
42	Cash Balance, Beginning of Period	\$374,361	\$2,707,922
43	Cash Balance, End of Period	\$394,130	\$3,115,662

Monthly Report

October 2013

**Horizon Ridge Medical
Corporation Center, LLC**

Prepared by:

**MDL GROUP
3065 South Jones Boulevard
Suite 201
Las Vegas, Nevada 89146
Phone: (702) 388-1800
Fax: (702) 388-1010
www.mdlgroup.com**

Executive Summary

Building Information

Property Address:	2610 Horizon Ridge		
Also known as	Horizon Ridge Medical Center, LLC		
Month Ending	10/31/13	Prepared By:	Judy Clifford, Property Manager

Occupancy

	Sq. Footage	%	
Leased and Occupied	23,602	86%	
Leased NOT Occupied	0		
Vacant	3,958	14%	
Total	27,560	100%	

Changes in Occupancy (Move Outs/Move In)

Tenant	Sq. Footage	Date	Comments
n/a			

Pending Lease Negotiations

Tenant	Sq. Footage	Last Activity Date	Comments
n/a			

Expiring Lease (next 6 months)

Tenant	Sq. Footage	Expiration	Status
Dr. Nancy Sylvanie	161	01/31/13	MTM
Upper V Capital	2,415	02/28/14	Chat negotiates renewals
Deblanc Music	665	01/31/14	Chat negotiates renewals
Hair Styling Las Vegas	1,295	04/30/14	Chat negotiates renewals

Cash Balances

Beginning Cash	\$ 6,230.01		
Ending Balance	\$ 10,301.58		

Income and Expenses

	Current Month	YTD	
Total Income	\$ 31,505.37	\$ 388,590.38	
Total Operating Expense	\$ 11,736.75	\$ 90,551.92	
Tenant Improvement	\$ -	\$ -	
Brokerage Commissions	\$ -	\$ -	
Mortgage Payment (P & I)	\$ -	\$ -	
Mortgage Reserves	\$ -	\$ -	
Net Operating Income (Loss)	\$ 19,768.62	\$ 298,038.46	
Owner Distribution	\$ 25,801.68	\$ 292,450.70	
Owner Contribution	\$ -	\$ -	

Budget Variances (> \$500.00 variances listed only)

Category	Actual	Budget	Comment
Repairs & Maintenance	\$ 1,445.23	\$ 700.00	Clean carpet/tile/paint for 206; not budgeted
Sewer	\$ 1,099.59	\$ 400.00	Infrastructure increase in Henderson
Water	\$ 1,348.11	\$ 540.00	Infrastructure increase in Henderson

Delinquencies

Tenant	Current	Total	Comment
Madame Et Monsieur	\$ 5,019.00	\$ 11,124.00	Short pays/late fees. Balance and late fees accruing.
Hair Styling Las Vegas	\$ 178.07	\$ 178.07	Electric/gas
Deblanc Music	\$ 5.96	\$ 5.96	Electric/gas

TI Projects

Tenant	Est. Completion Date		Cost to Finish
n/a			

Capital Projects

Type	Est. Completion Date		Cost to Finish
n/a			
Additional Comments			
n/a			

OWNER/MGMT ONLY
NOT FOR THIRD PARTYBalance Sheet (Cash)
HORIZON MEDICAL CENTER - (horizon)
October 2013
11/11/13**ASSETS**

CASH	
Operating Checking	10,301.58
TOTAL CASH	10,301.58
OTHER ASSETS	
Deposits	99.70
Deposits - Other	-312.00
TOTAL OTHER ASSETS	-212.30
TOTAL ASSETS	10,089.28

LIABILITIES & CAPITAL

LIABILITIES	
Prepaid Rent	14,770.04
Prepaid Cam	1,997.00
Prepaid Parking Income	70.00
Prepaid Signage	35.00
Prepaid water & sewer	200.00
Tenant Deposits	8,569.17
TOTAL LIABILITIES	25,641.21
CAPITAL	
Capital	330,386.09
Owner Contribution	4,734.55
Owner Distribution	648,711.03
Retained Earnings	298,038.46
TOTAL CAPITAL	-15,551.93
TOTAL LIABILITIES & CAPITAL	10,089.28

	Month to Date	%	Year to Date	%
RENT INCOME				
Rent	29,389.37	93.28	360,719.48	92.83
Parking Income	175.00	0.56	1,750.00	0.45
Signage	210.00	0.67	2,240.00	0.58
NET RENT INCOME	29,774.37	94.51	364,709.48	93.85
EXPENSE REIMBURSEMENT				
Passthru Sewer & Water	700.00	2.22	6,000.00	1.54
Estimated CAM Charges	1,031.00	3.27	10,310.00	2.65
TOTAL REIMBURSEMENT	1,731.00	5.49	16,310.00	4.20
OTHER INCOME				
Late Fee	0.00	0.00	7,520.90	1.94
Processing Fee	0.00	0.00	50.00	0.01
TOTAL OTHER INCOME	0.00	0.00	7,570.90	1.95
TOTAL INCOME	31,505.37	100.00	388,590.38	100.00
EXPENSES				
Operating Exp-Reimbursable				
Bank Charges	10.00	0.03	110.00	0.03
Electricity	1,217.93	3.87	9,941.35	2.56
Elevator Inspec & Repair	1,174.26	3.73	4,765.66	1.23
Fees	0.00	0.00	77.00	0.02
Fire Alarm Inspection	0.00	0.00	190.00	0.05
Fire Sprinkler Inspection/Service	0.00	0.00	190.00	0.05
Fire Alarm Monitoring	360.29	1.14	2,057.98	0.53
Gas	81.27	0.26	1,244.77	0.32
HVAC - R&M	0.00	0.00	775.00	0.20
Insurance - Package/Umbrella	445.90	1.42	4,245.68	1.09
Janitorial Service	1,200.00	3.81	10,350.00	2.66
Landscaping - Contract	550.00	1.75	5,500.00	1.42
Landscaping Maint. - Extras	0.00	0.00	150.00	0.04
Maintenance Supplies	63.32	0.20	615.32	0.16
Management Fees	1,700.00	5.40	17,000.00	4.37
Office Supplies	0.00	0.00	81.06	0.02
Pest Control	185.00	0.59	950.00	0.24
Repairs & Maintenance	1,445.23	4.59	6,626.87	1.71
Security System	154.99	0.49	1,208.91	0.31
Sewer	1,099.59	3.49	4,524.81	1.16
Telephone	167.86	0.53	1,650.59	0.42
Trash Disposal	547.74	1.74	5,481.52	1.41
Water	1,348.11	4.28	5,972.19	1.54
Window Washing	0.00	0.00	1,220.00	0.31
TOTAL Reimbursable Oper. Exp.	11,751.49	37.30	84,928.71	21.86

NON PASS THRU EXPENSES

Delivery Service Bank Courier	5.47	0.02	57.47	0.01
Electricity	-47.30	-0.15	994.05	0.26
Gas	27.09	0.09	243.01	0.06
Postage	0.00	0.00	1.52	0.00
Repairs & Maintenance	0.00	0.00	4,327.16	1.11

OWNER/MGMT ONLY
NOT FOR THIRD PARTYIncome Statement (Cash)
HORIZON MEDICAL CENTER - (horizon)
October 2013

	Month to Date	%	Year to Date	%
TOTAL Non Pass Thru Exp.	-14.74	-0.05	5,623.21	1.45
TOTAL Operating Expenses	11,736.75	37.25	90,551.92	23.30
Net Operating Inc (Loss)	19,768.62	62.75	298,038.46	76.70
NET INCOME (LOSS)	19,768.62	62.75	298,038.46	76.70